

CONFIDENTIAL
SECURITY INFORMATION

LS-1519
Subject

5110-Called

27 May 1952

OGC HAS REVIEWED.

MEMORANDUM FOR: Deputy Director/Administration
FROM : General Counsel
SUBJECT : Legal Aspects of Failure to Provide Adequate Administrative Remedy

1. In addition to concurring with the recommendations of the Chief, O & M S, with respect to establishing a Board of Contract Appeals for CIA, I should like to make the following observation which is prompted by strict legal considerations.

2. As indicated in the staff study, CIA contracts contain a standard disputes clause providing for immediate appeal to the Contracting Officer and final appeal to the head of the Agency or his authorized representative if the aggrieved contractor is not satisfied with the decision of the Contracting Officer. Under the present arrangements, unless the Director or his designated representative gave personal attention to appealable issues from the Contracting Officer, a contractor might claim the right to seek direct relief in the courts for our failure to provide the prescribed administrative remedies.

3. It is apparent that neither the Director nor any immediate subordinates have sufficient time or opportunity to be constituted a "Board of Contract Appeals" for which reason this proposed Board of Contract Appeals is highly desirable.

LAWRENCE R. HOUSTON
General Counsel

OGC/LRH/JBK:imm

Attachment - Memo fr Chief, O&MS to DD/A with Staff Study

Distribution -
Orig & 1 - Addressee
2 - OGC

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*Hand-carried by
LRH to DD/A
27 May '52*

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ORIGINAL DOCUMENT MISSING PAGE(S):

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